



Department of Energy
Washington, DC 20585

March 30, 2007

Chairman Charles D. Nottingham
Office of Chairman
Surface Transportation Board
1925 K Street, NW, Suite 820
Washington, D.C. 20423-0001

RE: Docket Nos. 38302S and 38376S

Dear Chairman Nottingham

The order entered in these dockets July 27, 2005 (served August 2, 2005, and effective September 1, 2005), approving the Government's settlement agreement with Union Pacific Railroad Company, further held these proceedings in abeyance while directing the Government to file quarterly reports on the progress of settlement negotiations. The Government continues to be actively engaged in negotiating with individual railroad defendants, currently BNSF and Norfolk Southern. While we are not yet in a position to report an agreement with either carrier, we remain hopeful that we will be able to reach agreements with both carriers. We will file a further report by the end of June 2007.

Sincerely,

Stephen C. Skubel
Assistant General Counsel
For Litigation
(202) 586-5579

cc: Vice Chairman W. Douglas Buttrey
Board Member Francis P. Mulvey
Attached Service List

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Office of Proceedings

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CERTIFICATE OF SERVICE

I, Stephen C. Skubel, hereby certify that on this 30th day of March, 2007, I served
a copy of the foregoing document by prepaid first-class mail on the following

Aberdeen & Rockfish R.R. Co P O Box 917 Aberdeen, NC 28315	Buffalo & Pittsburgh Railroad c/o Genesee & Wyoming, Inc. 66 Field Point Road Greenwich, CT 06830
Montana Rail Link, Inc. 101 International Way Missoula, MT 59808	James R. Paschall Greg E. Summy Norfolk Southern Railway Company Three Commercial Place Norfolk, VA 23510
Richard A. Porach G.F. Neunschwander Pittsburgh & Lake Erie 49 Pius Street Pittsburgh, PA 15203	Michael E. Roper The Burlington Northern and Santa Fe Railway Company 2500 Lou Menk Drive, 3rd Floor Fort Worth, TX 76131
Paul Hitchcock Associate General Counsel CSX Transportation, Inc 500 Water Street - J150 Jacksonville, FL 32202	Theodore K. Kalick Canadian National Railway Company 601 Pennsylvania Avenue, N.W. Suite 500 North Building Washington, D.C. 20004
Chris Guzzi Deborah Sedaris Providence & Worcester Railroad Co. 75 Hammon Street Worcester, MA 01610	Robert G. Culliford, Esq Guilford Transportation System Iron Horse Park North Billerica, MA 01862
Richard D. Robey, President North Shore Railroad Company 356 Priestly Avenue Northumberland, PA 17857	Tom Arnst, Esq RailTex 4040 Broadway Suite 200 San Antonio, Texas 78209
John R. Nadolny 14 Aviation Avenue Portsmouth, NH 03801	Ronald E. Fittrow 500 Water Street Jacksonville, FL 32202

D J. Lewis Director of Marketing Tuscola & Saginaw Bay Railway Company 308 West Main Street Matthews Building, Suite 303 Owosso, MI 48867	Paul Guthrie Canadian Pacific Railway Company 401 9th Avenue, S.W. Gulf Canada Square, Suite 500 Calgary, Alberta T2P 4 Z4 Canada
Samuel M. Sipe, Jr Carolyn D. Clayton Steptoe & Johnson LLP 1330 Connecticut Avenue, N W Washington, D C 20036	Robert H. Wheeler General Counsel Wisconsin Chicago Link Ltd. 17641 Ashland Avenue Homewood, IL 60430
Terence M Hynes Sidley Austin Brown & Wood, LLP 1501 K Street, N.W. Washington, D.C. 20005	Francis P. Dicello 1301 K Street, N W. Suite 1100 - East Tower Washington, D.C. 20005
Elizabeth D Jacobi 526 Second Avenue, S.E. P.O. Box 2457 Cedar Rapids, IA 52406	Charles H. White, Jr. Galland, Karasch & Garfinkle, P.C. 1054 Thirty-First Street, N.W. Washington, DC 20007
Thomas J. Litwiler Fletcher & Sipple LLC 29 North Wacker Drive Suite 920 Chicago, IL 60606	Edward J Krug Lynch, Dallas & Smith P.O. Box 2457 Cedar Rapids, IA 52406
Michael F McBride Lebocuf Lamb Greene & Macrae 1875 Connecticut Avenue, N.W. Suite 1200 Washington, D C 20009	George H Kleinberger P.O. Box 8002 Clifton Park, NY 12065
Charles L. Smith #3 F1/RR Sup Svc 151 Ellis Street, N E Atlanta, GA 30303	Robert H Stahlheber 210 N 13th Street Room 2000 St. Louis, MO 63103

Michael L. Rosenthal
Covington & Burling
1201 Pennsylvania Avenue, NW
Washington, D C 20004-2401

J. Michael Hemmer
Louise A. Rinn
Union Pacific Railroad Company
1400 Douglas Road, Stop 1580
Omaha, NE 68179

A handwritten signature in black ink, appearing to read "Stephen C. Skubel", written over a horizontal line.

Stephen C. Skubel